

Message Text

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61

ACTION AGR-20

INFO OCT-01 ARA-16 ADP-00 EB-11 COME-00 TRSE-00 AID-20

CIAE-00 INR-10 NSAE-00 RSC-01 RSR-01 /080 W

----- 056957

R 101530Z AUG 73

FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC 3209

INFO AMEMBASSY BRASILIA

AMEMBASSY SANTIAGO

AMEMBASSY MONTEVIDEO

AMEMBASSY ASUNCION

U.S. MISSION, EC, BRUSSELS 126

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PASS USDA/FAS FOR GRAIN & FEED DIV FROM AGATTACHE

E.O. 11652: N/A

TAGS: EGAN, EAGR

SUBJ: WHEAT SITUATION

REF: FASTO 68, BUENOS AIRES 5824 & STATE 125345

1. BUENOS AIRES 5824 OF AUGUST 7 STATED THAT ARGENTINA WOULD TENDER FOR 200,000 METRIC TONS OF BREAD WHEAT ON AUGUST 9 WHICH WOULD PROBABLY BE FOLLOWED BY TENDER OF SIMILAR QUANTITY LATER. THE TWO MILLION TON FIGURE REFERRED TO IN FASTO 68 WAS UNDOUBTEDLY DUE TO EITHER ERROR IN CABLE TRANSMISSION FROM POST OR IN WASHINGTON.

2. FOLLOWING REMARKS MADE BY OFFICIAL OF NATIONAL GRAIN BOARD ON AUGUST 8 TO AGATTACHE SHOULD BE USED TO COMPLEMENT AND UPDATE AUGUST 15 GRAIN AND FEED REPORT WHICH WAS POUCHED EARLIER. GRAIN BOARD OFFICIAL CONCURRED THAT 7.9 MILLION TONS OFFICIAL ESTIMATE FOR 1972-73 WHEAT CROP WAS CONSIDERABLY ABOVE ACTUAL OUTTURN WHICH TRADE NOW ESTIMATES AT NO MORE THAN 7.5 MILLION TONS. DEDUCTING PRELIMINARY FIGURES FOR JULY EXPORTS FROM JULY 1 STOCKS

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INDICATED SOME 775,000 METRIC TONS OF NON-FARM BREAD WHEAT AND

45,000 TONS OF DURUM WHEAT ON HAND ON AUGUST 1. TRADERS INDICATE THAT FARM STOCKS OF DURUM ARE PROBABLY HIGHER THAN NORMAL. THESE STOCKS ARE ONLY SUFFICIENT TO MEET DOMESTIC MILLING REQUIREMENTS OF ABOUT 300,000 TONS MONTHLY FOR AUGUST AND SEPTEMBER AND OUTSTANDING CONTRACTS WITH CHILE, PARAGUAY AND URUGUAY WHICH REPORTEDLY WILL BE HONORED.

3. THE OFFICIAL STATED THAT ARGENTINA WOULD NEED TO IMPORT AT LEAST 500,000 METRIC TONS OF BREAD WHEAT TO MEET MILLING REQUIREMENTS FOR OCTOBER AND NOVEMBER AS MILLING RATES LIKELY TO DECLINE. ARGENTINE EXPECTED TO NEGOTIATE WITH BRAZIL TO DELAY DELIVERY OF MAJOR PORTION OF 400,000 METRIC TONS SHORTFALL OF ITS 1.3 MILLION TON AGREEMENT UNTIL NEW CROP BECOMES AVAILABLE. NO MORE THAN 150,000 TONS OF NEW CROP WHEAT LIKELY TO BE AVAILABLE FOR MEETING CY 1973 COMMITMENTS AS LATE PLANTINGS EXPECTED TO DELAY HARVESTING.

4. FIRST OFFICIAL ESTIMATE OF 1973/74 WHEAT PLANTINGS IS 4.1 MILLION HECTARES; HOWEVER LATE PLANTING MAY EXTEND AREA, ESPECIALLY DURUM, BASED ON AVERAGE YIELDS A CROP OF 5.4 MILLION TONS NOW APPEARS LIKELY. DURUM PLANTINGS MAY INCREASE TO 390,000 HECTARES RESULTING IN AN OUTTURN OF 660,000 TONS FOR 1973/74. EXPORTABLE SUPPLIES OF DURUM WHEAT FOR MY 1973-74 NOW EXPECTED TO REACH 476,000 TONS, WHICH IS ABOUT ONE-HALF OF ESTIMATED EXPORTABLE SUPPLIES.

5. ON AUGUST 9, BIDS AGAINST 200,000 TONS OF BREAD WHEAT IMPORT TENDER WERE OPENED. ALL OFFERS EXCEPT 25,000 TONS FROM RUMANIA WERE OF U.S. ORIGIN..

6. OFFICIAL AGREED TO PROVIDE THIS OFFICE WITH BI-WEEKLY EXPORT DATA ON MAJOR GRAINS WHICH WILL BE TRANSMITTED UPON RECEIPT. KREBS

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Message Attributes

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Disposition Approved on Date:
Disposition Authority: golinofr
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Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Executive Order: N/A
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